

REGULAR BOARD OF TRUSTEES MEETING MINUTES

Tuesday, January 31, 2006

Tim Walsh called the meeting to order at 10:00 a.m. Other Board members present included Kevin Boehnlein, Karen Davis, and Tony Armstrong (on behalf of Chuck Schalliol).

TRF staff present included Cristy Wheeler, Bob Newland, Tom Abbett, Phil Barnes, Tom Davidson, Amy Maynard, Steffanie Rhinesmith and Shelley Horner. Also in attendance were Mary Beth Braitman of Ice Miller Judy Kermans and Brian Murphy of Gabriel, Roeder, Smith & Company and Steve Moberly of IRTA.

The Agenda was presented.

Tony Armstrong moved to approve the agenda. Karen Davis seconded the motion. The motion carried.

The minutes of the January 10, 2006 meeting were presented.

Tony Armstrong moved to approve the minutes. Tim Walsh seconded the motion. The motion carried.

Shelley Horner presented retiree payments for the month of February 2006.

Kevin Boehnlein moved to accept the payments. Karen Davis seconded the motion. The motion carried.

Tom Abbett presented the expenditures for the month of December 2005.

Cristy Wheeler introduced Judy Kermans and Brian Murphy from Gabriel, Roeder, Smith & Company (GRS) to present the Actuarial Valuation ending June 30, 2005. This information was compiled using member information provided from TRF staff. As of June 30, 2005, TRF had 37,068 retired members, 5,260 inactive members, and 73,510 active members. The total accrued liabilities totaled \$16 billion which broken down include \$2 billion from the 96 Fund and \$14 billion from the Pre-96 Fund. The unfunded accrued liability is \$9.1 billion. GRS recommends the following: a reserve account of \$73,520,194 be established from employer reserve for active members to retired member reserve to restore the balance between assets and liabilities, a change in the funding policy to provide for contributions on behalf of all members on an actuarially determined basis. Also, GRS would like to track include: July 1 retirees, federally funded teachers and unused sick leave lump sum paid upon retirement.

Break (10 minutes)

Resumed at 11:25 a.m.

Cristy Wheeler began the Director's report. Tom Davidson presented an appeal to the Board from Dr. William K. Long for military service credit. Dr. Long graduated from college and began Indiana public teaching in 1982. On July 26, 1985 Dr. Long enlisted in the U.S. Army and was honorably discharged on July 31, 1994. Dr. Long then enrolled in a post-graduate program. He returned to teaching in July of 1996 (approximately 23 months after military discharge). Dr. Long requests that his military service be added to his TRF service. According to IC 21-6.1-4-6.1 9 (f) the member must return to active teaching service within eighteen (18) months after the completion of active military service; therefore Dr. Long does not qualify to have his military service added to his existing TRF service. The staff recommends abiding by state law to deny Dr. Long's request for military service credit.

Kevin Boehnlein moved to approve staff's recommendation. Tony Armstrong seconded the motion. The motion carried.

Bob Newland updated the Board on the Large Cap Value and Consultant RFP search. The staff will prepare their recommendations for the next board meeting.

Bob Newland reviewed pages 1-12 of the Investment Policy Statement. The Introduction section was discussed and one change was recommended to include employers and members in Purpose of the Policy section. The Responsible Parties And Their Duties section was noted to include all Fund staff not just the investment staff. The Code of Ethics was noted to expand the compliance exhibit of ethics showing no financial interest and/or no conflict of interest. It was also noted that when a Board member has a speaking engagement, they notify the Fund and we will review the information/speech information. Bob Newland assigned pages 12-23 for review at next months meeting.

Cristy Wheeler noted that Kevin Boehnlein came in early today for an orientation of the agency. She added if any Board members are interested in an orientation, please let her know.

The next meeting was scheduled for February 28, 2006 at 10:00 a.m.

Tim Walsh moved to adjourn this meeting. Kevin Boehnlein seconded the motion. The motion carried. There being no additional business, the meeting adjourned at 12:15 p.m.